



General Assembly

Substitute Bill No. 1212

January Session, 2001

***AN ACT CONCERNING THE LOW AND MODERATE INCOME
HOUSING TAX CREDIT PROGRAM FOR INFORMATION
TECHNOLOGY EMPLOYEES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 8-395 of the general statutes is repealed and the following is
2 substituted in lieu thereof:

3 (a) As used in this section, (1) "business firm" means any business
4 entity authorized to do business in the state and subject to the
5 corporation business tax imposed under chapter 208, or any company
6 subject to a tax imposed under chapter 207, or any air carrier subject to
7 the air carriers tax imposed under chapter 209, or any railroad
8 company subject to the railroad companies tax imposed under chapter
9 210, or any regulated telecommunications service, express, telegraph,
10 cable, or community antenna television company subject to the
11 regulated telecommunications service, express, telegraph, cable, and
12 community antenna television companies tax imposed under chapter
13 211, or any utility company subject to the utility companies tax
14 imposed under chapter 212, and (2) "nonprofit corporation" means a
15 nonprofit corporation incorporated pursuant to chapter 602 or any
16 predecessor statutes thereto, having as one of its purposes the
17 construction, rehabilitation, ownership or operation of housing and
18 having articles of incorporation approved by the executive director of
19 the Connecticut Housing Finance Authority in accordance with

20 regulations adopted pursuant to section 8-79a or 8-84.

21 (b) The Commissioner of Revenue Services shall grant a credit
22 against any tax due under the provisions of chapter 207, 208, 209, 210,
23 211 or 212 in an amount equal to the amount specified by the
24 Connecticut Housing Finance Authority in any tax credit voucher
25 issued by said authority pursuant to subsection (c) of this section.

26 (c) The Connecticut Housing Finance Authority shall administer a
27 system of tax credit vouchers within the resources, requirements and
28 purposes of this section, for business firms making cash contributions
29 to (1) housing programs developed, sponsored or managed by a
30 nonprofit corporation, as defined in subsection (a) of this section,
31 which benefit low and moderate income persons or families which
32 have been approved prior to the date of any such cash contribution by
33 the authority, or (2) housing programs developed, sponsored or
34 managed by a business firm or a nonprofit corporation for the benefit
35 of employees of information technology manufacturers and
36 businesses, provided such housing programs shall be for the benefit of
37 housing that is (A) located within a locally-designated targeted area, or
38 (B) no further than two miles from the place of business of such
39 manufacturer or business. Such vouchers may be used as a credit
40 against any of the taxes to which such business firm is subject and
41 which are enumerated in subsection (b) of this section. For income
42 years commencing on or after January 1, 1998, to be eligible for
43 approval a housing program shall be scheduled for completion not
44 more than three years from the date of approval. Each program shall
45 submit to the authority quarterly progress reports and a final report
46 upon completion, in a manner and form prescribed by the authority. If
47 a program fails to be completed after three years, or at any time the
48 authority determines that a program is unlikely to be completed, the
49 authority may reclaim any remaining funds contributed by business
50 firms and reallocate such funds to another eligible program.

51 (d) No business firm shall receive a credit pursuant to both this
52 section and chapter 228a in relation to the same cash contribution.

53 (e) Nothing in this section shall be construed to prevent two or more
54 business firms from participating jointly in one or more programs
55 under the provisions of this section. Such joint programs shall be
56 submitted, and acted upon, as a single program by the business firms
57 involved.

58 (f) No tax credit shall be granted to any business firm for any
59 individual amount contributed of less than two hundred fifty dollars.

60 (g) Any tax credit not used in the period during which the cash
61 contribution was made may be carried forward or backward for the
62 five immediately succeeding or preceding income years until the full
63 credit has been allowed.

64 (h) In no event shall the total amount of all tax credits allowed to all
65 business firms pursuant to the provisions of this section exceed [five]
66 ten million dollars in any one fiscal year.

67 (i) No organization conducting a housing program or programs
68 eligible for funding with respect to which tax credits may be allowed
69 under this section shall be allowed to receive an aggregate amount of
70 such funding for any such program or programs in excess of four
71 hundred thousand dollars for any fiscal year.

72 (j) Nothing in this section shall be construed to prevent a business
73 firm from making any cash contribution to a housing program to
74 which tax credits may be applied which cash contribution may result
75 in the business firm having a limited equity interest in the program.

76 (k) The Connecticut Housing Finance Authority, with the approval
77 of the Commissioner of Revenue Services, shall adopt written
78 procedures in accordance with section 1-121 to implement the
79 provisions of this section. Such procedures shall include provisions for
80 issuing tax credit vouchers for cash contributions to housing programs
81 based on a system of ranking housing programs. In establishing such
82 ranking system, the authority shall consider the following: (1) The
83 readiness of the project to be built; (2) use of the funds to build or

84 rehabilitate a specific housing project or to capitalize a revolving loan
 85 fund providing low-cost loans for housing construction, repair or
 86 rehabilitation to benefit persons of very low, low and moderate
 87 income; (3) the extent the project will benefit families at or below
 88 twenty-five per cent of the area median income and families with
 89 incomes between twenty-five per cent and fifty per cent of the area
 90 median income, as defined by the United States Department of
 91 Housing and Urban Development; (4) the extent to which evidence is
 92 provided by the applicant that the project is necessary to
 93 municipalities and to information technology manufacturers and
 94 businesses to enable such municipalities, manufacturers and
 95 businesses to attract and retain employees; (5) evidence of the general
 96 administrative capability of the nonprofit corporation to build or
 97 rehabilitate housing; [(5)] (6) evidence that any funds received by the
 98 nonprofit corporation for which a voucher was issued were used to
 99 accomplish the goals set forth in the application; and [(6)] (7) with
 100 respect to any income year commencing on or after January 1, 1998:
 101 (A) Use of the funds to provide housing opportunities in urban areas
 102 and the impact of such funds on neighborhood revitalization; and (B)
 103 the extent to which tax credit funds are leveraged by other funds.

104 (l) Vouchers issued or reserved by the Department of Housing
 105 under the provisions of this section prior to July 1, 1995, shall be valid
 106 on and after July 1, 1995, to the same extent as they would be valid
 107 under the provisions of this section in effect on June 30, 1995.

108 (m) The credit which is sought by the business firm shall first be
 109 claimed on the tax return for such business firm's income year during
 110 which the cash contribution to which the tax credit voucher relates was
 111 paid.

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